



# MARYLAND IMPLEMENTATION OF THE AFFORDABLE CARE ACT

December 5, 2012

Governor's Office of Health Care Reform  
Carolyn Quattrocki, Executive Director

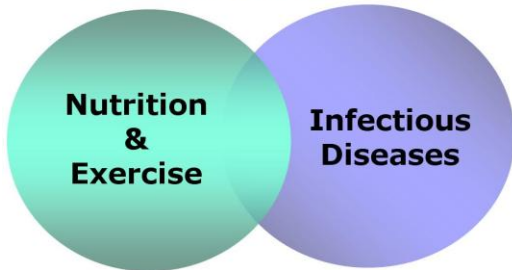


# Overarching Goal of Reform Implementation



**BETTER HEALTH FOR  
ALL MARYLANDERS**

## Physical Health & Wellness



# Maryland's Collaborative Approach

State Agencies, Local Jurisdictions, Non-Profits and Private Sector



[click here](#)





Essential Benefits	
Per package	Individual plans
Amount	
HHS Approved	% Package Requirement
Ambulatory patient services	10 %
Emergency services	10 %
Hospitalization	
Maternity and newborn care	10 %

# HOW DOES HEALTH REFORM AFFECT CANCER TREATMENT AND PREVENTION?



# Four Pillars of ACA



**Stronger, Non-  
discriminatory  
Insurance Coverage**

**Expanded Access to  
Health Insurance and  
Health Care**

**More Affordable  
Insurance Coverage**

**Cost Control and  
Quality Improvement**

# Pillar I: Stronger , Non-Discriminatory Coverage – Patients’ Bill of Rights



- **Young adults** can stay on parents’ insurance plan until age 26; **52,000 in MD; 2.5 million nationwide.**



- No **children** denied coverage because of pre-existing condition.



- No **lifetime limits** on benefits and harder to rescind policies when people get sick; **2.25 million Marylanders benefiting, including over one half million children.**



- Small business **tax credits: 66,000** eligible in Maryland.



# Pillar I: Stronger , Non-Discriminatory Coverage – Patients’ Bill of Rights



IO Reports:  
Insurance,  
Gender Rating  
and Sex  
Discrimination



- In **2014**, no exclusions for **pre-existing conditions** or **annual limits** on benefits.
- **Women** will no longer have to pay **higher premiums** because they are women.
- **Preventive services** like mammograms, cancer screening, and flu shots; **1.2 million Marylanders** covered with no cost-sharing; **554,000 on Medicare** have received at no cost; 797,185 eligible.



## **Pillar II**

# **Expanded Access to Care**



### **Medicaid Expansion Projections**

2014: **84,000**  
2015: **188,000**  
2020: **239,000**

### **Health Benefit Exchange Projections**

2014: **180,000**  
2015: **365,000**  
2020: **385,000**

➤ **More Marylanders will have access to affordable health care coverage**





## **Pillar III**

### **More Affordable Coverage: Support for Maryland Families and Employers**



#### **Medicaid Expansion**

**Up to 133% of federal poverty level (FPL)** (\$14,860 for individual;  
\$30,660 for family of 4)

2014-16: 100% federally funded; 2017-20: tapers to 90%

#### **Small Business Tax**

**Credits:** 35% of  
premium (2010) and 50%  
(2014)

**Federal Subsidies for Low-Income  
People Between 133% and 400% FPL**  
(\$14,860-\$44,680 for individual; \$30,660-  
\$92,200 for family of 4)

➤ **More low-income Marylanders  
will be able to afford coverage,  
including childless adults**



## PILLAR IV

# Cost Control and Quality Improvement: Save Money While Making People Healthier



**Keeping people healthy:**  
Investments in wellness and  
prevention

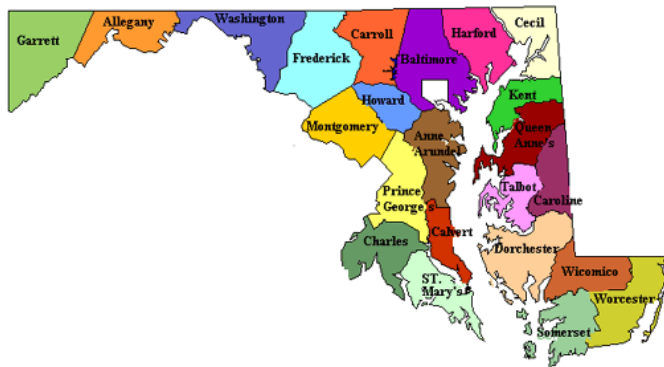
**Higher quality and more efficient  
care delivery models:** Pilots and  
demonstration projects with  
leadership from doctors and  
hospitals

**Health Information Technology:** Support ongoing  
efforts to develop Health Information Exchange and  
meaningful use of Electronic Medical Records





# BRINGING THESE BENEFITS OF HEALTH REFORM TO MARYLAND



# Health Care Reform Coordinating Council

## Established by Executive Order, March 2010



The State of Maryland  
Executive Department

EXECUTIVE ORDER  
01.01.2011.10

Maryland Implementation of Federal Health Care Reform  
(Rescinds Executive Order 01.01.2010.07)

WHEREAS, The Maryland Health Care Reform Coordinating Council (HCRCC) was established on March 24, 2010, under Executive Order 01.01.2010.07 to provide a comprehensive evaluation of the federal Health Care Reform legislation, to develop a blueprint for the State's implementation of the Affordable Care Act, and to identify critical decision points that must be considered;

WHEREAS, In its final report delivered on January 1, 2011, the HCRCC set forth this blueprint, which included 16 short- and long-term recommendations on how the State can implement federal reform most effectively;

WHEREAS, Recognizing that effective implementation will require continued leadership, oversight, and coordination, the HCRCC included in its recommendations the establishment of a Governor's Office of Health Care Reform; and

WHEREAS, The HCRCC recommended further that its membership be expanded to include two additional legislative members, the Chair of the new Health Benefit Exchange, and the Secretary of the Department of Labor, Licensing and Regulation because of the valuable insight these representatives will be able to provide regarding implementation of key provisions of the Affordable Care Act.

NOW, THEREFORE, I, MARTIN O'MALLEY, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND THE LAWS OF MARYLAND, HEREBY RESCIND EXECUTIVE ORDER 01.01.2010.07 AND PROCLAIM THE FOLLOWING EXECUTIVE ORDER, EFFECTIVE IMMEDIATELY:

A. Established. There is a Governor's Office of Health Care Reform (Office). The Office shall

### 01.01.2010.07 - Health Care Reform Coordinating Council

- ✓ Composed of executive and legislative branch leaders in health care
- ✓ Directed to examine the Affordable Care Act and make recommendations to the Governor and General Assembly as to how the State should implement federal health care reform in ways that would work best for Maryland.



# HCRCC Report:

## 16 Recommendations in 5 Categories



➤ Health Benefit Exchange and Insurance Market



➤ Health Care Delivery and Payment Reform



**Public Health**  
Prevent. Promote. Protect.

➤ Public Health, Safety Net, and Special Populations

➤ Workforce Development

➤ Communications/Outreach and Leadership/Oversight

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# Leadership/Oversight



## Recommendation

**#16 Continued leadership and oversight of health care reform**

## Progress

- ✓ **Health Care Reform Coordinating Council extension and expansion**
- ✓ **Governor's Office of Health Care Reform**



# Health Benefit Exchange, Insurance Market Reform, and Medicaid Expansion

**Health  
Insurance  
Exchange**

## Recommendations

**#1 Establish Exchange; #2 Develop seamless entry into public and private coverage. #15 Preserve Maryland's strong base of employer-sponsored insurance.**

## Progress

- ✓ Health Benefit Exchange Act of 2011
- ✓ Innovator/Establishment Level I and II grant awards - **\$157 M**
- ✓ IT infrastructure – contract awarded and design begun
- ✓ MIA enhanced rate review policies and \$3.96 million grant
- ✓ Exchange Board's December, 2011 report
- ✓ Maryland Health Benefit Exchange Act of 2012
- ✓ Executive Director Rebecca Pearce, and other staff on board
- ✓ Plan Management and Navigator Advisory Committees
- ✓ Name/Branding of Exchange – Maryland Health Connection



# Maryland Health Benefit Exchange



## Hybrid Model of Governance: Public Corporation



- Transparency, openness, and accountability of government
  - Hiring and contracting flexibility of private sector

## EXCHANGE BOARD OF DIRECTORS

**Joshua Sharfstein**, Secretary, Maryland Dept. of Health & Mental Hygiene

**Therese Goldsmith**, Commissioner, Maryland Insurance Administration

**Ben Steffen**, Acting Executive Director, Maryland Health Care Commission

**Kenneth Apfel**, Professor, University of Maryland School of Public Policy

**Georges Benjamin**, M.D., Executive Director of American Public Health Association

**Darrell Gaskin, Ph.D., Professor, Johns Hopkins Bloomberg School of Public Health**

**Jennifer Goldberg**, J.D., LL.M., Assistant Director of Advocacy for Elder Law and Health Care, Maryland Legal Aid Bureau

**Enrique Martinez-Vidal**, M.P.P., Vice President at AcademyHealth, Director of the Robert Wood Johnson Foundation's State Coverage Initiatives program

**Thomas Saquella**, M.A. retired President, Maryland Retailers Association





# MARYLAND HEALTH BENEFIT EXCHANGE ACT OF 2012: COMPONENTS

- **Operating Model**
- **Design of Small Business Health Options Program (SHOP) Exchange**
- **Outreach and Consumer Assistance – “Navigator” Programs**
- **Dental and Vision plans**
- **Essential Health Benefits**
- **Risk adjustment and reinsurance programs**
- **Fraud, waste and abuse detection and prevention program**
- **Market rules**
- **Exchange Financing**
- **Scope of Exchange’s authority and interstate contracting**





# helping marylanders connect to health coverage

Welcome to Maryland Health Connection  
—a new marketplace opening in October 2013.



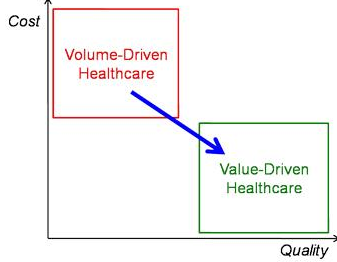
# ADDITIONAL ECONOMIC BENEFIT OF HEALTH BENEFIT EXCHANGE AND MEDICAID EXPANSION



Economic Benefit	2104	2015	2020
Federal Subsidies	\$254 Million	\$607 Million	\$1.3 Billion
Increase in Total Health Expenditures	\$1.06 Billion	\$2.08 Billion	\$3.9 Billion
Number of New Jobs	9,000	16,000	26,000



# Health Care Delivery and Payment Reform



## Recommendations

- #12** Enhance quality and reduce costs through payment reform and delivery innovations.
- #13** Improve access to primary care.
- #14** Reduce and eliminate health disparities through financial, performance-based incentives and other strategies.

## Progress



- ✓ **HCRCC's Health Care Delivery and Payment Reform Committee, John C. Colmers and Laura Herrera, Co-chairs**
  - ❖ **Identifies and supports successful clinical innovations, financial mechanisms and integrated programs underway in private sector to promote delivery system reform**
  - ❖ **Website, [www.dhmf.maryland.gov/innovations](http://www.dhmf.maryland.gov/innovations)**

# Health Care Delivery and Payment Reform

## Further Progress

### ✓ Health Quality & Cost Council

- ❖ Public-private Partnership to address chronic disease management, wellness and prevention, new care delivery models, health disparities, and other quality and cost control measures
- ❖ Maryland Patient Centered Medical Home Pilot



### ✓ Health Disparities Workgroup of HQCC

- ❖ Maryland Health Improvement and Disparities Reduction Act of 2012
- ❖ Health Disparities Collaborative

### ✓ Balancing Incentives Payment Program

- ❖ \$106 million grant



### ✓ Health Service Cost Review Commission

- ❖ Total Patient Revenue, Quality-based Reimbursement Initiative, and Hospital Acquired Conditions Initiative



### ✓ Chronic Health Home model





# ACCOUNTABLE CARE ORGANIZATIONS

New type of health care entity in which physicians, hospitals, and other providers of Medicare-covered services agree to be held accountable for improving the health and experience of care while reducing the rate of growth in health care spending. Studies have shown that better care often costs less; coordinated care helps to ensure that the patient receives the right care at the right time and helps avoid unnecessary duplication of services and dangerous medical errors.

## MARYLAND ORGANIZATIONS SELECTED

**Accountable Care Coalition of Maryland, LLC**, Hollywood, MD, 109 physicians

**Greater Baltimore Health Alliance Physicians, LLC**, partnerships between a hospital and ACO professionals employing ACO professionals, with 399 physicians.

**Maryland Accountable Care Organization of Eastern Shore LLC**, National Harbor, 15 physicians.

**Maryland Accountable Care Organization of Western MD LLC**, National Harbor, ACO group practices and networks of individual ACO practices, with 23 physicians..



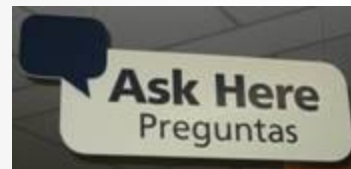


# Public Health, Safety Net, and Special Populations

- #4 Develop state/ local strategic plans for better health outcomes.
- #5 Encourage active participation of safety net providers in health reform and new insurance options.
- #6 Improve coordination of behavioral health and somatic services.
- #7 Promote access to quality care for special populations.



## Progress



- ✓ State Health Improvement Process
  - Funding for local coalitions – **17 grants totaling \$600,000**
- ✓ Expanded health officers' authority to contract for health care services
- ✓ CHRC plan for technical assistance for safety net providers
- ✓ Community Transformation grant for **chronic disease prevention**
- ✓ Community Health Centers – federal grants totaling **\$17.7 million**
- ✓ Enhanced public health funding (\$9.7 M in FY'13 budget) for programs like: Maternal, Infant and Early Childhood Home Visiting program; teen pregnancy reduction programs; Coordinated Chronic Disease program; Enhanced HIV prevention program



# Workforce Development

- ❑ **Governor’s Workforce Investment Board’s release of blueprint “Preparing for Health Reform: Health Reform 2020”**
- ❑ **Health Enterprise Zones** – Maryland Health Improvement and Disparities Reduction Act of 2012 includes incentives for primary care providers to practice in underserved areas (e.g., loan assistance and tax credits).
- ❑ **Workforce Advisory Committee** – GOHR convening a group of educators, practitioners, and other stakeholders to recommend short and long-term workforce development initiatives, including:
  - ❖ **Training opportunities to increase workforce diversity and align with emerging care delivery models; workforce redesign (e.g. community health workers, nurse navigators).**
  - ❖ **Workforce data – comprehensive data collection, analysis, and reporting.**
  - ❖ **Licensing and credentialing – identify opportunities to streamline, reduce barriers, and make more efficient.**





# Workforce Development

## AFFORDABLE CARE ACT PROVISIONS

- **Primary care:** Supports the training and development of more than 16,000 new primary care providers over the next five years.
- **Community health centers and new clinical settings:** Establishes new nurse-managed health clinics to train nurse practitioners and operate in underserved communities; provides new funding for community health centers.
- **Loan forgiveness and scholarships.** The National Health Service Corps expanded to repay student loans and provide scholarships for more primary care physicians, physician assistants and nurse practitioners willing to work in underserved areas.

## AFFORDABLE CARE ACT FUNDING FOR MARYLAND

- **\$4.98 million to support training of public health providers to improve preventive medicine, health promotion and disease prevention.**



# COMMUNICATIONS/OUTREACH



## GOAL

***Build public support for health care reform and help Marylanders understand how to benefit from it.***

- **GOHR collaboration with Robert Wood Johnson Foundation's communications experts to develop strategic plan and revamp website**
- **Launch of new consumer-centric website in March, 2012**
- **Communications and Outreach Public/Private Advisory Committee**
- **Ongoing communications efforts, development of materials, and coordination with Exchange naming, branding, and strategic planning**





# Health Care Reform

Keep Me Informed

Health Care Reform & Me :: What is Health Care Reform? :: Maryland Moving Forward

## What does health care reform mean for me?

**Lots of Marylanders are asking this question.** That's why we created this site to give you answers about how health care reform impacts you. To learn more, please select one of the options below. Be sure to visit often as we continue working to improve health care for all Marylanders.

Sincerely,

Lt. Governor Anthony G. Brown  
Co-Chair, Maryland Health Care Reform Coordinating Council



Governor Martin O'Malley  
Lt. Governor Anthony G. Brown

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# ESSENTIAL HEALTH BENEFITS: SELECTION OF STATE'S BENCHMARK PLAN

## FEDERAL GUIDANCE – AFFORDABLE CARE ACT

- Beginning in January, 2014, all plans offered in small group and individual markets inside and outside exchanges must cover “essential health benefits.”

**Must  
cover 10  
categories  
of  
mandated  
essential  
health  
benefits**

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health & substance use disorder services;
- Prescription drugs;
- Rehabilitative and habilitative services;
- Laboratory services;
- Preventive/wellness services & chronic disease management;
- Pediatric services, including oral and vision care



# ESSENTIAL HEALTH BENEFITS: HCRCC'S SELECTION OF BENCHMARK PLAN

## STATE EMPLOYEE HEALTH PLAN

- Plan offers meaningful, relatively comprehensive coverage of all ten categories required by the ACA, but not so robust as to be unaffordable;
- Only option which covers all benefits mandated under State law;
- Meets requirements of the Mental Health Parity and Equity Addiction Act;
- Prescription drug benefit with open formulary;
- Received support of majority of stakeholders.



# QUESTIONS

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